

ABSTRACT

The paper aims to ascertain whether the Judicial System of a county has any effect on its economic growth, using a panel data on 40 countries for the time period 1991-1995. On running a regression using growth rate of per capita GDP as dependent variable and Judicial Efficiency Index as one of the explanatory variables, the results show that Judicial System of a country has a positive and significant impact on economic growth of that country. Judicial Efficiency Index is calculated using three legal variables- overall number of specialized courts, presence of federal states and legal system followed in the country (Common law, Civil law, Bijuridicial law or Islamic law).